

**Before The
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Schools and Libraries Universal Service)	CC 02-6
Support Mechanism)	
)	
Further Notice of Proposed Rulemaking)	FCC 03-323
)	

**REPLY COMMENTS OF THE
CONSORTIUM FOR SCHOOL NETWORKING AND
INTERNATIONAL SOCIETY FOR TECHNOLOGY IN EDUCATION**

INTRODUCTION

The Consortium for School Networking (CoSN) and the International Society for Technology in Education (ISTE) are membership-based groups that serve educators who use technology to improve teaching and learning. For nearly a decade, CoSN, whose members include national education associations, local school districts, state education agencies and individual leaders in educational technology that are committed to integrating technology into the classroom, has been at the forefront of efforts to improve learning in K-12 classrooms via the Internet and telecommunications. ISTE is a nonprofit professional organization with a worldwide membership of leaders in educational technology. ISTE promotes appropriate uses of information technology to support and improve learning, teaching, and administration in K-12 education and teacher education.

CoSN and ISTE have both been active participants before the Commission in proceedings related to the E-Rate, individually and in partnership with EdLiNC, as

representatives of many of the thousands of educational institutions that benefit from the E-Rate program. Our participation in this proceeding reflects our members' commitment to ensuring the long-term viability of the E-Rate program as the telecommunications marketplace evolves, and our interest in addressing specific issues raised in the participant's comments regarding the Commission's recent Third Report and Order and Second Further Notice of Proposed Rulemaking (hereinafter the Further Notice) (FCC 03-323), released February 10, 2004.

THE DISCOUNT MATRIX

ISTE and CoSN would like to reiterate their concerns regarding the Commission's proposal to alter the discount matrix by reducing the Priority Two discount rate in some or all of the bands, including the 90% discount band, and by establishing a separate discount matrix for Priority Two funding that would have a top-tier discount level lower than the current system's 90% level. ISTE and CoSN do not support these proposals at the current time for three reasons: 1) the Commission's recently promulgated new funding rule, which permits applicants to receive funding only twice every five years for internal connections, should be afforded ample time to operate in order to determine whether it has accomplished the Commission's important goals of increasing Priority Two discount disbursement and deterring waste, fraud, and abuse in the program; 2) additional rules on top of the "twice every five years rule" may sow confusion in the ranks of applicants and vendors alike, potentially chilling their interest in participating in the program; and 3) some of the neediest applicants, at whom this program is targeted, would be required to pay larger proportions of eligible service costs, thereby making it

impossible for them financially to participate in the program. CoSN and ISTE feel that the Commission should not amend the current discount matrix until the effects of the newly promulgated “ twice every five years” rule are determined. Instead, the Commission should adopt a “wait and see” approach to see if these rules will achieve the same goals as the proposals in the Further Notice.

CoSN and ISTE’s arguments have been buttressed by information received from a number of schools and school districts that would be adversely impacted if the Commission adopts a new Priority II discount matrix. One concern shared by some districts is that they might not be able to continue offering advanced technology services to their students if the discount matrix was changed. According to the Albany School District in New York State, which enjoys an overall discount rate of 83% but which has at least nine buildings that qualify for 90% discount rates, any change in the discount matrix would place a significant burden on its technology planning. Specifically, Albany has been approved for E-Rate funding for a three-year project that will establish high-speed wide area network between each of its buildings. Administrators in Albany feel that a change in the discount matrix would negatively affect the district’s cash flow, and possibly make it impossible for them to meet the project’s three-year payment schedule.

Other E-Rate recipients are critical of lowering the discount matrix for the unintended effect that such a change would have on other technology needs paid for through savings realized by the E-Rate program. At the Good Will-Hinckley School in Fairfield, Maine, a private school that educates “at risk” and special needs students, the reduction of its current 90% discount rate to 80% or 70% would make it more difficult for the school to cover the costs of items for which the E-Rate does not provide

discounts, including computer labs, AV equipment, content filters and anti-virus software. According to its Executive Director, “Those schools that are in the 90% discount bracket are there for a reason. Disadvantaged children need this support in order to create and maintain equal playing fields.”

Michael Anderson, the Technology and Information System Administrator at Santa Maria-Bonita School District in California, feels the same way. To Santa Maria Bonita, a high poverty district with an 89% average discount rate, a lowering of the Priority II discount matrix would simply mean “wiring fewer classrooms and having some children denied the equity of connectivity.” Indeed, any new limitation on accessing internal connections funding, on top of the implementation of the new twice every five years rule, will only put districts such as Santa Maria Bonita further behind. Mr. Anderson suggests that with just the new rule in place, it may take the district two to three years before they can afford to connect new schools in the district to the Internet. Says Mr. Anderson, “There is a reason why more affluent school districts have to pay for a higher percentage on their E-Rate funded projects. They can better afford it.”

CONCLUSION

ISTE and CoSN applaud the Commission for continuing to seek input from consumers to improve the efficiency and success of the E-Rate program. ISTE and CoSN support many of the Commission’s proposals, but feel that any change in the discount matrix is unwarranted and potentially injurious to the program and therefore cannot support such a change.

Dated: April 12, 2004

Respectfully submitted,

INTERNATIONAL SOCIETY FOR
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